Opening Statement of the Honorable Ed Whitfield
Committee on Energy and Commerce
Markup of H.R. 4471, the Gasoline Regulations Act of 2012 and H.R. 4480, the Strategic Energy Production Act of 2012
May 16-17, 2012

(As Prepared for Delivery)

This committee has an obligation to do everything within its jurisdiction to fight high gasoline prices. At today's markup, we address two such critical issues - costly new regulations and restrictions on domestic oil production. The Gasoline Regulations Act and the Strategic Energy Production Act are the right thing to do, not just for energy prices, but also for jobs and American competitiveness. I urge all of you to support these bills.

The Obama administration's regulators have shown a pattern of rolling out bad regulations and doing so at the worst possible time. Most notably, in the midst of a weak economy and anemic job growth, the EPA has chosen to unleash a costly wave of new rules that will further hamper the domestic manufacturing sector and curtail the use of coal for electricity generation.

And now, the EPA is about to embark on a number of measures likely to put upward pressure on future prices at the pump. We need to learn more about the cumulative cost of these regulations before we allow this to happen.

The Gasoline Regulations Act does just that. It does not repeal or delay the implementation of any existing rules, but requires an interagency analysis of several upcoming measures. In addition to estimating the cumulative impact of these regulations on gasoline and diesel fuel prices, it will also look at factors like the potential effects on refinery closures and jobs.

Among the measures to be analyzed are the upcoming global warming provisions for refineries. I am very concerned about EPA's global warming regulatory agenda and what it is doing to the coal industry and to coal-fired electricity. By the same token, we need to get a better handle what these regulations will mean for domestic refineries and what they will do the price per gallon of gasoline and diesel fuel.

I am also concerned about the impact of potential new Tier 3 gasoline regulations. Tier 3 has been estimated to cost up to 9 cents per gallon. EPA disputes this estimate, and says it will be closer to one cent per gallon. I don't think EPA's estimate is right, but a thorough interagency assessment would be useful. And rather than focus on the costs of Tier 3 in isolation, the analysis will estimate the cumulative impact of all the listed measures.

Tier 3 is one of three upcoming rulemakings - along with a new ozone standard and New Source Performance Standards for refiners - whose finalization will be extended until six months after the study is available. This modest delay ensures that there is time for the results to inform the rulemaking process.

The president's bad timing on costly regulations has been matched by bad timing on his anti-drilling agenda. With oil still close to $100 a barrel, the last thing we need is an unprecedented slowdown on federal oil leasing, but that is exactly the policy we have gotten from this administration. The Strategic Energy Production Act would put us on a more sensible course.

The president has already tapped the Strategic Petroleum Reserve once in a failed attempt to increase oil supplies and bring down price. He may do so again, but of course the much better strategy for expanding domestic energy supplies is to make use of the vast amounts of oil beneath federal lands that are currently off –limits. Certainly, if circumstances demand that the SPRO be tapped, then they also demand that the federal government commit to new energy leasing. And that is what the Strategic Energy Production Act would require. Not only would more drilling on federal lands generate federal revenues and create jobs, but most importantly it would the supply and lower the price of oil.

Today, we can takes steps toward a more rational regulatory policy and a more rational drilling policy, and the results will provide future relief at the pump.

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